MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2210 & TERM ID 2215)

PFA0064 – ESSENTIALS OF FINANCIAL ACCOUNTING

(Foundation in Management)

17 FEBRUARY 2023
9.00AM – 11.00AM
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **EIGHT** pages (excluding cover page) with **FIVE** questions.

2. Answer **ALL** questions.

3. Write your answers in the Answer Booklet provided.

Question 1

The following costs and inventory data were taken from the accounts of ABX Sdn Bhd for 2022.

	1 January 2022	31 December 2022
Inventories:		
Raw materials	RM 8,000	RM 7,000
Work in process	15,000	13,000
Finished goods	16,000	10,000
Costs incurred:		
Raw materials purchases		RM 93,000
Direct labour		42,000
Factory rent		8,000
Factory utilities		7,000
Indirect materials		4,000
Indirect labour		6,000
Selling expenses		5,000
Administrative expenses		12,000

Required

Prepare the manufacturing account for ABX Sdn Bhd for the year ended 31 December 2022.

(Total 20 marks)

Continued...

Question 2

Mewah Club with 50 members had the following assets and liabilities on 1 January 2022:

Cash	500
Bar inventory	500
Clubhouse	10,000
Equipment (net)	2,050
Accounts payable	300

During the accounting year ended 31 December 2022, the following cash receipts and payments were made:

Receipts:

i) Membership fees of RM 36 each per annum was received from 50 members. During the year, 10 new members were admitted. Each paid RM 30 as an entrance fee in addition to the annual subscription for the year.

ii) The members held a successful variety show in aid of the club extension fund. Total receipts were RM 3,400. Donations of RM 200 were given to the club.

iii) Bar receipts totaled RM 11,200. All sales in the club bar were in cash only.

Payments:

Maintenance	515
Wages of staff	800
Electricity and water	150
Miscellaneous expenses	205
Purchase of new billiard table	250
Settlement of outstanding accounts payable	300
Bar wages	1,000
Bar purchases	8,000
Cost of organising show	560

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Taking into the account the following:

i) Ending inventory for club bar RM 600.

ii) It is the policy of the club to set aside 10% of equipment at the end of each year as depreciation.

iii) Entrance fees are regarded as revenue receipt.

iv) Funds raised by variety concert are capitalised for building premises.

v) Electricity and water owing RM 20.

Required

a) Prepare the receipts and payments account for the year ended 31 December 2022. (10 marks)

b) Prepare the income and expenditure account for the year ended 31 December 2022. (10 marks)

(Total 20 marks)

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Question 3

Alan, Nasir and Sham are partners and shared their profits and losses in the ratio 4:2:1. From 1st January 2021, the assets of the partnership were to be revalued because there is a new member, Jenny joined the partnership. Therefore, the new profit sharing ratio for Alan, Nasir, Sham and Jenny will be 3:2:1:1.

Alan, Nasir and Sham
Statement of Financial Position
As at 31 December 2020

Assets:	RM	RM
Buildings (at cost)		80,000
Motor vehicles (at NBV)		16,500
Fixtures and fittings (at NBV)		1,800
		98,300
Inventory	6,100	
Accounts receivable	7,400	
Bank	800	14,300
		112,600
Capital:		
Alan		60,000
Nasir		30,000
Sham		22,600
		112,600

The following assets are to be revalued to the figures as follows:

	RM
Building	106,000
Motor vehicles	13,000
Inventories	4,894
Fixtures and fittings	1,450

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Required

a) Prepare the revaluation account to record the revaluation of the assets. (13 marks)

b) Prepare Alan's capital account upon the exercise of the revaluation of the assets. (5 marks)

c) Provide two reasons why revaluation of asset is needed for partnership business. (2 marks)

(Total 20 marks)

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Question 4

RS Sdn Bhd shows the following list of accounts in its trial balance at the end of year 2022.

	DEBIT (RM)	CREDIT(RM)
Share capital (issued and paid up):		
100,000 Ordinary shares of RM 0.40, each fully paid		40,000
50,000 5% Preference shares of RM 1, each fully paid		50,000
10% Loan notes		30,000
Purchases and sales	200,500	300,100
Return inwards and outwards	1,200	1,500
Allowance for doubtful debts		3,000
Rent and rates	3,000	
Repair and maintenance of motor vehicle	2,500	
Salaries and wages	30,000	
Directors' remuneration	45,000	
Accumulated depreciation for machinery		4,500
Interest on loan notes	1,500	
Receivables and payables	20,000	17,000
Machinery (at cost)	55,000	
Premises	85,000	
Inventory (1 January 2022)	20,000	
Retained earnings (1 January 2022)		6,000
Cash and bank	9,000	20,600
	472,700	472,700

The following additional information is also available:

1) Inventory at 31 December 2022, RM 16,000.
2) Half of the loan note interest are being accrued for the year.
3) The amount of rent and rates includes a payment for January 2023 rental amounted to RM 500.

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4) Machinery is to be depreciated at 10% per annum using reducing balance method.
5) The allowance for doubtful debts is to be increased to RM 5,000
6) The company estimated the corporation tax to be RM 2,600.

Required

Prepare the statement of profit or loss and other comprehensive income for RS Sdn Bhd for the financial year ended 31 December 2022. **(Total 20 marks)**

Question 5

A comparative statement of financial position for Maaz Sdn Bhd is presented below:

Maaz Sdn Bhd

Comparative Statement of Financial Position

	2022	2021
Assets		
Cash	RM 36,000	RM 31,000
Accounts receivable (net)	80,000	60,000
Prepaid insurance	25,000	17,000
Land	18,000	40,000
Equipment	70,000	60,000
Accumulated depreciation	(20,000)	(13,000)
Total Assets	RM 209,000	RM 195,000
Liabilities and Shareholders' Equity		
Accounts payable	RM 38,000	RM 25,000
Ordinary shares	140,000	115,000
Retained earnings	31,000	55,000
Total liabilities and shareholders' equity	RM 209,000	RM 195,000

Additional information:

1. Net loss for 2022 is RM 15,000.
2. Cash dividends of RM 9,000 were declared and paid in 2022.

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3. Land was sold for cash at a loss of RM 7,000. This was the only land transaction during the year.
4. Equipment with a cost of RM 15,000 and accumulated depreciation of RM 10,000 was sold for RM 5,000 cash.

Required

Prepare the statement of cash flow for the year ended 2022, using the indirect method.

(Total 20 marks)

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